

**SECRET**NPIC/TSSG/RED-1928-69  
18 November 1969

## MEMORANDUM FOR THE RECORD

SUBJECT: [ ] Chip Comparator Modification

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1. In response to some questions asked by [ ] at the time that the chip comparator modification package went forward for approval, the following information has been obtained. There were six comparators built, one belonging to DIA, two belonging to IAS, and three belonging to IEG.

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2. When this approval request was originally forwarded, it was early August (the background material being gathered in late July). The project was delayed in PPBS. As a result, a number of changes had taken place. IEG had decided to transfer one of their units to DIA. That transfer has now taken place. We have also learned that IAS intends to transfer or store one of their units, possibly in the spring, if and when their [ ] Comparator system becomes operable. This is a change in their previous position. As a result of this information being obtained, RED felt it necessary to re-evaluate the approval request: (1) it did not appear logical to modify the unit that IAS will soon be getting rid of; (2) if they did store it, the modification money would be lost; (3) if they transfer it, it would appear that the cost of conversion should be borne by the party to which the instrument was transferred; (4) this same logic appeared reasonable with regard to the units belonging to DIA through transfer from IEG. As a consequence, we have queried DIA as to their willingness to bear the cost of these conversions. They do desire the conversions and are willing to transfer the appropriate funds. We also queried IAS to see if there was any objection to not modifying one of their units. [ ] informs us there is not.

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*question is  
do they want it?*

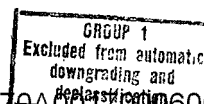
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3. [ ] was requested to delay letting this contract until we could re-evaluate the situation. It has now been done. [ ] was further requested to query the contractor as to the cost impact of modifying one less unit; i.e., how much additional cost would be borne by the other units by reducing the total number in the contractual package. This is the best information available to date.

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DDR-Dupe

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4. [ ] is expecting an answer. As soon as [ ] inputs are available, he should be briefed on the situation. In my absence, [ ] is cognizant of the details concerning this matter. [ ] feels that this can be handled internally without changes in the approval papers unless [ ] feels it is desirable for historical documentation purposes. The contract will, of course, be let for less than the original cost requested because of the reduction of the IAS unit and the transfer of funds from DIA.

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[ ]

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Deputy Chief,  
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